

Ethos Environmental, Inc.
Form 10-Q
August 14, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10 – Q

[mark one]

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2008

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-26673

ETHOS ENVIRONMENTAL, INC.
(Name of Small Business Issuer in Its Charter)

Nevada
(State or Other Jurisdiction
of Incorporation or Organization)

88-0467241
IRS Employer
Identification Number

6800 Gateway Park
San Diego, CA 92154
(619) 575-6800

(Address and Telephone Number of Principal Executive Offices)

Securities registered under Section 12(b) of the Exchange Act:

Title of each class registered:
None

Name of each exchange on which registered:
Over-the-Counter Bulletin Board

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value \$0.0001
(Title of class)

with a copy to:
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Indicate by checkmark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer

Accelerated filer

Non-accelerated filer
(Do not check if a smaller
reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES
 NO

The registrant has 39,520,174 shares of common stock outstanding as of August 14, 2008.

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Quarterly Report on FORM 10-Q

For The Period Ended
June 30, 2008

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PART I.

Item 1. FINANCIAL STATEMENTS

ETHOS ENVIRONMENTAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2008	December 31, 2007
Assets		
Current Assets:		
Cash and cash equivalents	\$ 133,971	\$ 74,176
Accounts receivable-trade, net	7,147,495	5,951,275
Inventory, net	1,128,335	1,376,030
Other current assets	5,000	-
Total Current Assets	8,414,801	7,401,481
Property and Equipment, net	217,354	228,452
Other Assets	705,419	699,419
Total Assets	\$ 9,337,574	\$ 8,329,352
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities:		
Accounts payable	\$ 141,727	\$ 223,891
Accrued liabilities	309,221	109,300
Notes payable	1,300,000	350,000
Notes payable-related party	195,997	246,521
Total Current Liabilities	1,946,945	929,712
Commitments:	-	-
Stockholders' Equity (Deficit):		
Common stock, \$.0001 par value 100,000,000 authorized		
39,450,243 issued and outstanding	3,945	3,687
Additional Paid in Capital	37,496,371	35,615,040
Accumulated deficit	(30,109,687)	(28,219,087)
Total Stockholders' Equity (Deficit)	7,390,629	7,399,640
Total Liabilities and Stockholders' Equity (Deficit)	\$ 9,337,574	\$ 8,329,352

See notes to consolidated financial statements.

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ETHOS ENVIRONMENTAL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenues	\$ 1,286,884	\$ 2,599,962	\$ 2,391,352	\$ 5,297,095
Cost of Goods Sold	404,424	785,297	751,613	1,709,941
Gross Profit				